

# Broadcasting Mar 7

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TOP OF THE WEEK

## It's a whole new ball game

**Television rights for Major League Baseball are up for grabs in 1990, and with new broadcast and cable network players in lineup, who will end up with games is now anyone's sporting guess**

"It's going to be a very crowded poker table and [Major League Baseball Commissioner Peter] Ueberroth is going to have to be a deft dealer."

That metaphor from one of those who expects to be at the "table" accurately conveys the widespread interest and anticipated complexity and intensity of the upcoming negotiations for national big-league television rights for 1990 and beyond. Whatever deal is finally cut will determine well into the next decade where fans will tune for baseball and whether and how much they will have to pay for the privilege.

"You'll see a total reshaping of how we do baseball on television," said Bryan Burns, MLB's director of broadcasting. The national rights contract affects deals individual teams make with television stations and regional sports networks, he said. "We will determine what is best for the industry and design a package, and then the local clubs will fill in the holes behind our national operation."

The three major broadcast networks are expected to be at the table. That is not new. What is new this time around is the expected presence of several other broadcast and cable networks, who were either not around or lacked the financial muscle to play in the big leagues when the last national rights contract was signed in April 1983. Among those already expressing an interest: ESPN, Turner Broadcasting System, USA Network, Fox Broadcasting and HBO.

With the first pitch of the 1988 season, ABC-TV and NBC-TV begin the final two years of six-year, national rights deals with MLB that have been satisfactory for NBC, but, by most accounts, a disaster for ABC. NBC is committed to paying \$550 million over the life of the contract; ABC, \$575 million.

When negotiations start up for 1990 and beyond next winter, NBC will be in the middle of them and ABC is expected to be there too, although the network refused to confirm its interest last week. ABC and NBC have options to renew their contracts, but the disappointing performance of their current packages makes renewal unlikely.

CBS, which thought about acquiring a national package the last time around, is thinking about it again. Neal Pilson, CBS

Sports president, said it would be inaccurate "to portray CBS as a desperate suitor" for baseball rights. "I'm just sitting on the bench, waiting for my number to be called," Pilson said. But CBS would like a package including some post-season play if it can be fit into CBS's sports schedule and if the deal makes sense financially, he said.

ESPN, which proved the viability of a major sports package on basic cable with its eight National Football League games last

unlike TBS's superstation WTBS(TV) Atlanta, have the financial wherewithal to make a competitive bid. Turner emerged from a meeting with cable operators in New York last week confident that TNT would be launched this fall (see page 31).

USA Network, which carried MLB games on Thursday nights from 1979 though the 1983 season, has also talked with MLB about a rights package, said USA President Kay Koplovitz. "The important issues are exclusivity for the window of the product," she said, and access to post-season play. "I think it's important for any valuable package to have some playoffs," she said. On what the likely outcome of this round of negotiations will be, Koplovitz said: "There are a number of different ways of dividing the package."

HBO wants a unique package of 25 or 26 Thursday-night games that would set it apart from other purveyors of baseball. "The thing we covet, which I think at best is a long shot, would be interleague play," said Seth Abraham, HBO senior vice president, programming operations and sports. HBO is interested in "something new, something flashy," said Abraham, "something...you can't get on the conventional networks for free."

Fox Broadcasting Co., which lost out to ESPN for an NFL package last year, may be back to bid for baseball. "We've proved with the Emmy awards that Fox is a serious bidder for event programming, and our negotiations with the NFL on a *Monday Night Football* contract were equally aggressive," said a Fox spokesman. "Thus we will take a very strong look at the possibilities of Major League Baseball on Fox." Because many of Fox's affiliates broadcast baseball under local rights deals, the spokesman said, "we will consult with our affiliates to see how aggressively they'd like us to pursue this."

Another factor in the negotiations will be MLB's interest in distributing baseball nationally via some kind of satellite broadcasting system. MLB is scrambling the transmission backhauls of all baseball games as a first step toward entering the "direct-to-home business" (see page 63), Burns said. Once the backhauls are scrambled and the number of games that can be pulled down from the satellites for free is reduced, he said, MLB or some authorized third party will be able to put two or three games a night on a satellite and sell them to owners of backyard earth stations. Such a service could commence this season, he said.

MLB's current contracts with ABC and NBC will have brought baseball more than



season, is keenly interested in baseball. Said ESPN President Bill Grimes: "Major League Baseball is our number-one acquisition priority."

TBS Chairman Ted Turner said TBS will definitely be in the bidding, but only if Turner Network Television, TBS's prospective new cable service, is around to serve as the vehicle for the games. Supported by advertising and affiliate fees, TNT would,

\$1.1 billion when they expire with the last pitch of the 1989 World Series. Because of the disappointing performance of the networks' packages under the contract, the speculation is that MLB will have to look beyond the broadcast networks if it is to strike a deal that meets or exceeds the revenue of the current pacts.

"There will be a basic cable package because baseball is definitely not working on ABC in prime time," said Turner. "Cable would like to have a national baseball package, and baseball would like to have a basic cable package," he said.

Philadelphia Phillies owner William Giles, who along with Chicago White Sox owner Eddie Einhorn will represent the owners at the bargaining table, told BROADCASTING last week he feels "confident cable will be a part of the package."

In trying to get the most out of its national rights, baseball's biggest problem is the proliferation of televised games. According to Burns, around 1,800 of the 2,106 regular-season games played this season will be televised by the networks, regional cable networks or television stations.

Aggravating the situation are the distribution of a growing number of baseball-laden television stations via satellite or microwave and cable into millions of homes outside their markets. With the addition of KTLA(TV) Los Angeles, which carries the California Angels, and WSBK-TV Boston, which carries the Red Sox, there are seven so-called superstations providing cable viewers with hundreds of games.

If baseball has its way, it would make the superstations and their negative effect on the

value of national rights disappear. If TBS comes to the negotiating table looking for a national baseball package, MLB could insist on TBS reducing the number of Braves games on superstation WTBS Atlanta. Would TBS be willing to give up some Braves games on the superstation? "We're willing to have total and complete discussions with baseball on all aspects," said Bob Wussler, TBS senior executive vice president.

MLB can also boost the value of national rights by guaranteeing some kind of exclu-

sivity. Arthur Watson, president, NBC Sports, said NBC has had an easier time of it than ABC because of the Saturday-afternoon exclusivity that NBC insisted on in its contract. The exclusivity prohibits local television broadcast of games during the *Game of the Week*. Without the exclusivity, Watson said, "your audience would be diluted by the local telecasts."

What level of exclusivity is at the heart of the balancing of national and local rights that Burns talks about? "Whatever we have to do nationally has to balance with the needs of the clubs—the needs for their own local operations in terms of financial gain and in terms of how they market their club."

Other variables in the negotiations are the possible changes in the game that would enhance or at least affect television packages. In addition to interleague play, Burns mentioned an increase in the number of teams (MLB is under constant pressure to expand), reduction in the number of games and the addition of another playoff round.

If the last negotiating round for national rights is any guide, Burns said, "you would assume we will have serious negotiations next winter culminating in an agreement prior to the 1989 season, the last year of our contract." But to predict when the final deal will be done is difficult, he said, "when we are still trying to evaluate what we are going to sell."

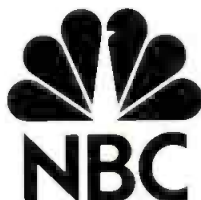
Regardless of when negotiations begin or end, baseball should be heartened going in by a fact that Burns expressed in what might be called an understatement: "Unlike a couple of years ago," he said, "there is an awful lot of interest in baseball these days." □

## Going After Baseball

The likely bidders  
and four spokesmen  
therefrom



CBS



**ESPN**  
THE TOTAL  
SPORTS NETWORK

**HBO**

**USA  
NETWORK**



CBS's Pilson



HBO's Abraham



NBC's Watson



TBS's Wussler